



Update on Discussions Related to Collection and Reporting of Data Related to Deferred Deposit Lending

For the October 17, 2007 Business and Labor Interim Committee meeting, this document updates the committee members on informal discussions interested legislators have had with the Department of Financial Institutions (DFI) regarding DFI's efforts to examine options related to data collection and reporting. For more detailed information regarding these discussions, please contact the Office of Legislative Research and General Counsel.

Overview of Discussions

At the May interim meeting of the Business and Labor Interim Committee, DFI was asked to examine data collection and reporting related to deferred deposit loans, sometimes referred to as payday loans. Interested legislators were given an opportunity to receive information from DFI on its efforts including the results of a 50-state survey DFI conducted and information DFI obtained from the industry and consumer advocates. Discussions included reviewing other state statutes and practices related to data collection and reporting.

Initial Recommendations

Although discussions will continue, the initial recommendation is to begin the process of drafting legislation to address the following:

- DFI would be required to collect and report specific detailed information regarding deferred deposit lending.
- The data would be collected on a calendar basis and filed with DFI by lenders as part of the annual registration renewal statement (April 30). DFI would not consider a registration renewal complete without the required data.
- The data collected from deferred deposit lenders would be confidential, *i.e.*, not a public record or open to public inspection, similar to other financial institution information kept confidential by DFI.
- DFI could report aggregate information, including aggregate information in its annual report.
- The data to be collected and reported by DFI would consist of the following:
 - Total number of deferred deposit lenders registered at the end of a calendar year
 - Total number of locations operated by deferred deposit lenders at the end of a calendar year and related geographic information by county or ZIP code
 - Total number of deferred deposit loans extended in a calendar year
 - Total dollar amount of deferred deposit loans extended in a calendar year
 - Average deferred deposit loan amount in a calendar year
 - Total number of individuals to whom a deferred deposit loans was extended in a calendar year
 - Range of APR charged on deferred deposit loans
 - Average APR charged on deferred deposit loans
 - Average number of days for which a deferred deposit loan is extended before it is paid
 - Total number of deferred deposit loans in a calendar year that are rescinded on or before 5 p.m. of the next business day
 - Total dollar amount of deferred deposit loans in a calendar year that are rescinded on or before 5 p.m. of the next business day

- Total number of deferred deposit loans in a calendar year for which a partial payment in an increment of at least \$5 on the principal owed is paid
- Total dollar amount of deferred deposit loans in a calendar year for which a partial payment in an increment of at least \$5 on the principal owed is paid
- Total number of deferred deposit loans in a calendar year that are carried to the maximum 12 weeks
- Total dollar amount of deferred deposit loans in a calendar year that are carried to the maximum 12 weeks
- Total number of deferred deposit loans in a calendar year that are not paid in full at the end of 12 weeks
- Total dollar amount of deferred deposit loans in a calendar year that are not paid in full at the end of 12 weeks